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October 16, 2014

RECEIVED

OCT 17 2014

PUBLIC SERVICE
COMMISSION

VIA FEDERAL EXPRESS

Hon. Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort KY 40601-8294

Re: Tariff Filing of Peoples Rural Telephone Cooperative Corporation, Inc., Case No. 2014-00305 before the Public Service Commission of the Commonwealth of Kentucky

Dear Mr. Derouen:

On behalf of Peoples Rural Telephone Cooperative Corporation, Inc., enclosed for filing with the Public Service of the Commonwealth of Kentucky are one (1) original and ten (10) copies of the following documents.

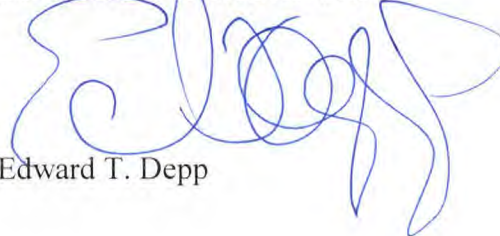
- 1) Notice of Replacement Exhibit;
- 2) Replacement Exhibit 5; and
- 3) Amended Petition for Confidential Treatment

Thank you, and if you have any questions with regard to this matter, please call me.

Very truly yours,

DINSMORE & SHOHL LLP

Edward T. Depp



ETD/lb
Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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OCT 17 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF PEOPLES RURAL)
TELEPHONE COOPERATIVE CORPORATION,)
INC. FOR A GENERAL ADJUSTMENT IN RATES) **CASE NO. 2014-00305**

**PEOPLES RURAL TELEPHONE COOPERATIVE CORPORATION, INC.
NOTICE OF REPLACEMENT EXHIBIT**

Peoples Rural Telephone Cooperative Corporation, Inc. (“PRTC”) hereby files with the Kentucky Public Service Commission (the “Commission”) a replacement Exhibit 5 in connection with its October 2, 2014 application for a general adjustment in rates (the “Application”).

The original Exhibit 5, filed with PRTC's Application, consisted of PRTC's entire 2013 RUS operating report, including information PRTC believes to be confidential. PRTC is hereby replacing this exhibit in its entirety.

The replacement Exhibit 5, attached to this notice, consists of only parts A and B of PRTC's 2013 RUS operating report. It contains no confidential information, and PRTC is filing a contemporaneous Amended Petition for Confidential Treatment to withdraw its requested confidential treatment of Exhibit 5.

PRTC hereby respectfully requests that the Commission destroy the original version of Exhibit 5 filed with its October 2, 2014 Application, and replace it with the replacement Exhibit 5 attached to this notice.

Respectfully submitted,



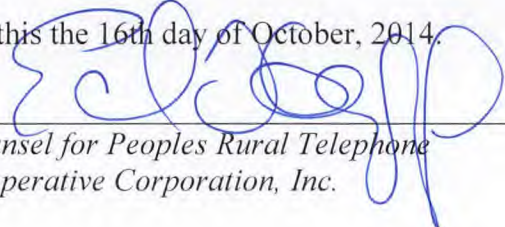
John E. Selent
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*Counsel for Peoples Rural Telephone
Cooperative Corporation, Inc.*

CERTIFICATE OF SERVICE

I certify that, on the date this Petition for Confidential Treatment was filed or served with the Kentucky Public Service Commission, a true and accurate copy of the foregoing was served by Federal Express or by hand delivery upon the persons listed below.

Kentucky Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601

On this the 16th day of October, 2014.



*Counsel for Peoples Rural Telephone
Cooperative Corporation, Inc.*

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 3333. The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<i>USDA-RUS</i>	<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i>	
	BORROWER NAME PEOPLES RURAL TELEPHONE COOPERATIVE CORPORATION, INC	
	ADDRESS MC KEE, Kentucky	
FINANCIAL AND STATISTICAL REPORT FOR BROADBAND BORROWERS	PERIOD ENDING June, 2014	BORROWER DESIGNATION KY1110
<i>INSTRUCTIONS-Submit report to RUS within 15 days after close of the period.</i>		

CERTIFICATION

We hereby certify that:

- the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief, and*
- we have fulfilled our obligations under the Loan Documents throughout the year in all material respects*

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

All of the obligations under the RUS loan documents have been fulfilled in all material respects.

There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the notes section of this report.

Keith Gabbard 07/24/2014

DATE

PART A. BALANCE SHEET			
ASSETS	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE END OF PERIOD
CURRENT ASSETS		CURRENT LIABILITIES	
1. Cash and Equivalents	7,672,015	16. Accounts Payable	1,985,836
2. Cash-RUS Construction Fund	247,454	17. Notes Payable	
3. Accounts Receivable	1,649,635	18. Current Mat. L/T Debt - RLIS	2,995,853
4. Notes Receivable		19. Current Mat. UT Debt-Other	
5. Materials and Inventory	1,129,997	20. Current Mat.-Capital Leases	
6. Other Current Assets	214,820	21. Other Current Liabilities	
Total Current		Total Current	
7. Assets (1 thru 6)	10,913,92	22. Liabilities (16 thru 21)	4,981,689
NONCURRENT ASSETS		LONG-TERM DEBT	
8. Investment in Affiliated Companies	23,780,72	23. Funded Debt-RUS Notes	17,295,48
9. Other Noncurrent Assets	555,625	24. Funded Debt-RTB Notes	
PLANT, PROPERTY, AND EQUIPMENT		25. Funded Debt-FFB Notes	
10. Telecom. Plant-in-Service	70,340,85	26. Funded Debt-Other	
		Total Long-Term	
11. Plant Under Construction	784,861	27. Debt (23 thru 26)	17,295,48
12. Plant Adj., Nonop. Plant, & Goodwill		OTHER LIAB. & DEF. CREDITS	
13. Less Accumulated Depreciation	31,666,63	28. Other Long-Term Liabilities	8,394,707
Net Plant		EQUITY	
14. (10 thru 12 less 13)	39,459,09	29. Cap. Stock Outstand. & Subscribed	
		30. Additional Paid-in-Capital	
		31. Membership and Cap. Certificates	211,700
		32. Patronage Capital Credits	43,424,60
		33. Retained Earnings or Margins	401,177
		34. Total Equity (29 thru 34)	44,037,48
TOTAL ASSETS		TOTAL LIABILITIES AND	
15. (7+8+9+14)	74,709,35	35. EQUITY (22+27+28+34)	74,709,35

Total Equity = 58.95 % of Total Assets

USDA-RUS		BORROWER DESIGNATION
FINANCIAL AND STATISTICAL REPORT FOR BROADBAND BORROWERS		KY1110
		PERIOD ENDING June, 2014
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	YEAR-TO-DATE	
1. Local Network Services Revenues		
a. Voice		976,028
b. Video		
c. Internet		
i. Broadband		1,335,571
ii. Other		
2. Network Access Services and Long Distance Revenues		5,225,565
3. Miscellaneous Revenues		78,696
4. Other Operating Income		
5. Uncollectible Revenues		32,851
6. Net Operating Revenues (11 thru 4 less 5)		7,583,009
7. Plant Specific Operations Expense		1,775,478
8. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		653,224
9. Customer Operations Expense		550,946
10. Corporate Operations Expense		804,992
11. Other Operating Expenses		
12. Total Operating Expenses (7 thru 11)		3,784,640
13. Operating Income or Margins (6 less 12)		3,798,369
14. Nonoperating/Nonregulated Net Income		(857,309)
15. EBIDTA (13 + 14)		2,941,060
16. Depreciation Expense		1,841,786
17. Amortization Expense		
18. EBIT (15 - 16 - 17)		1,099,274
19. Interest on Funded Debt		367,933
20. Other Interest Expense		
21. Taxes		
a. Property		241,080
b. Income		89,084
22. Total Net Income or Margins (18-19-20-21)		401,177
23 Dividends Declared (Common)		
24 Dividends Paid		
25 Transfers to Patronage Capital		
26 Principal Payments on Long Term Debt and Capital Leases		2,995,853
27 TIER (19 + 20 + 22) / (19 + 20)		2.09

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In the Matter of:

APPLICATION OF PEOPLES RURAL)
TELEPHONE COOPERATIVE CORPORATION,)
INC. FOR A GENERAL ADJUSTMENT IN RATES)

CASE NO. 2014-00305

**AMENDED PETITION OF PEOPLES RURAL TELEPHONE COOPERATIVE
CORPORATION, INC. FOR CONFIDENTIAL TREATMENT**

Peoples Rural Telephone Cooperative Corporation, Inc. (“PRTC”) hereby petitions the Kentucky Public Service Commission (the “Commission”), pursuant to 807 KAR 5:001, Section 13, and KRS 61.878, to grant confidential treatment to certain information PRTC is contemporaneously filing with its application for a general adjustment in rates (the “Application”). The information PRTC seeks to protect as confidential is hereinafter referred to as the “Confidential Information.”

The previous version of this petition sought confidential treatment for the original Exhibit 5 of the Application. In a filing contemporaneous with this amended petition, PRTC has replaced Exhibit 5 with a replacement exhibit that contains no confidential information. (*See* PRTC's Notice of Replacement Exhibit (Oct. 16, 2014).) Accordingly, PRTC has withdrawn its request for confidential treatment of Exhibit 5 in this amended petition. No other changes have been made.

Pursuant to 807 KAR 5:001, Sections 13(2)(a)(3) and 13(2)(b), one (1) copy of the hardcopy pages containing Confidential Information, with the Confidential Information highlighted with transparent ink, printed on yellow paper, or otherwise marked “CONFIDENTIAL,” were with the original petition for confidential treatment. A copy of those

pages with the Confidential Information redacted was filed with the original and each of the ten (10) copies of the application filed with the original petition.

The Confidential Information is not publicly available, is not disseminated within PRTC except to those employees and professionals with a legitimate business need to know and act upon the information, and is not disseminated to others without a legitimate need to know and act upon the information.

If and to the extent the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, PRTC will notify the Commission and have the information's confidential status removed pursuant to 807 KAR 5:001, Section 13(1)(b).

As discussed below, the Confidential Information is entitled to confidential treatment based upon KRS 61.878(1)(c)(1), which protects "records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records."

APPLICABLE LAW

807 KAR 5:001, Section 13(2)(a), sets forth the procedure by which certain information filed with the Commission may be treated as confidential. The regulation provides that a party seeking confidential treatment of certain information must:

Establish specific grounds pursuant to KRS 61.878, upon which the Commission should classify that material as confidential;

State the time period in which the material should be treated as confidential and the reasons for the time period; and

Include[] in a separate sealed envelope marked confidential, one

(1) copy of the material . . . which identifies by underscoring, highlighting with transparent ink, or other reasonable means only those portions which unless redacted would disclose confidential material.

The Kentucky Open Records Act, KRS 61.870, *et seq.*, exempts certain records from the requirement of public inspection. In particular, KRS 61.878(1)(c)(1) provides the following exemption from the requirement of public inspection:

records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would present an unfair commercial advantage to competitors of the entity that disclosed the records.

ARGUMENT

I. Disclosure of the Confidential Information Would Grant PRTC's Competitors an Unfair Commercial Advantage

The Confidential Information identified in the exhibits to PRTC's Application consists of information related to the inner workings of PRTC, including financial and service usage details. This information "if openly disclosed would present an unfair commercial advantage to competitors" of PRTC, and it therefore qualifies as protectable confidential information pursuant to KRS 61.878(1)(c)(1).

The Confidential Information on pages 5 and 6 of Exhibit 1 consists of data related to the revenue changes due to adjustment of terminating access rates pursuant to the Federal Communications Commission's November 18, 2011 Order reforming intercarrier compensation and the Universal Service Fund (the "ICC/USF Order").

The Confidential Information in Exhibit 1, Attachment B contains detailed subscriber line data and service usage information.

The Confidential Information in Exhibit 1, Attachment C contains detailed historical and projected subscriber service usage and revenue information, including the number of customers subscribed, or projected to be subscribed, to specific services and the amount of revenue derived, or projected to be derived, from those services.

The highlighted information contained in PRTC's Application would result in an "unfair commercial advantage to competitors" of PRTC if disclosed. PRTC, as a participant in the telecommunications market, faces economic competition from other entities in the same market. PRTC competes in the telecommunications market to sell telecommunication services to customers. With the increased penetration of alternatives to basic local service such as VoIP and wireless services, PRTC faces an increasingly competitive market. PRTC's ability to successfully compete against other entities in the telecommunications market would be adversely affected by the disclosure of its internal financial and service usage information. Therefore, PRTC has "competitors" as is contemplated under the statute and faces actual competition from other market participants.

The Confidential Information for which PRTC seeks confidential treatment under KRS 61.878(1)(c)(1) is generally recognized as confidential or proprietary under Kentucky law. In the 2013 Rate Floor Proceedings, the Commission granted confidential treatment to comparable information "related to the revenue changes due to adjustment of terminating access rates pursuant to the Federal Communications Commission's Order dated November 18, 2011." *See, e.g., In the Matter of Tariff Filing of Duo County Coop. Corp., Inc., Ky. P.S.C. Case No. 2013-00184, Order (Sep. 18, 2014).* In addition, information about a company's detailed inner workings is generally recognized as confidential or proprietary. *See, e.g., Hoy v. Ky. Indus. Revitalization Auth., 907 S.W.2d 766, 768 (Ky. 1995)* ("It does not take a degree in finance to

recognize that such information concerning the inner workings of a corporation is ‘generally recognized as confidential or proprietary’”); *Marina Mgmt. Servs. v. Cabinet for Tourism*, 906 S.W.2d 318, 319 (Ky. 1995) (“The most obvious disadvantage may be the ability to ascertain the economic status of the entities without the hurdles systematically associated with the acquisition of such information about privately owned organizations.”).

The disclosure of this confidential and proprietary information would provide competitors an unfair competitive advantage, allowing them insight into PRTC’s financial position and giving them the ability to unfairly tailor their competitive efforts against PRTC in light of this Confidential Information. For these reasons, PRTC respectfully requests that the Commission grant confidential treatment to the Confidential Information.

II. Time Period

Pursuant to 807 KAR 5:001, Section 13(2)(a)(2), PRTC requests that the Confidential Information remain confidential for a period of five (5) years from the date of this petition, which should allow sufficient time for the projected data to become sufficiently outdated that it could not be used to determine similar Confidential Information at that time.

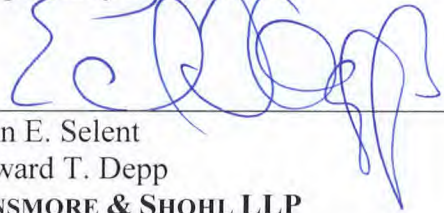
CONCLUSION

Based on the foregoing, the Confidential Information is entitled to confidential treatment. If the Commission disagrees that PRTC is entitled to confidential treatment, due process requires the Commission to hold an evidentiary hearing. *Utility Regulatory Comm’n v. Kentucky Water Serv. Co., Inc.*, 642 S.W.2d 591 (Ky. App. 1982).

WHEREFORE, PRTC respectfully requests that the Commission classify and protect as confidential the Confidential Information.

On this the 16th day of October, 2014.

Respectfully submitted,




John E. Selent
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DINSMORE & SHOHL LLP
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Suite 2500
Louisville, KY 40202
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tip.depp@dinsmore.com
*Counsel for Peoples Rural Telephone
Cooperative Corporation, Inc.*

CERTIFICATE OF SERVICE

I certify that, on the date this Petition for Confidential Treatment was filed or served with the Kentucky Public Service Commission, a true and accurate copy of the foregoing was served by Federal Express or by hand delivery upon the persons listed below.

Kentucky Attorney General
Office of Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601

On this the 16th day of October, 2014.



*Counsel for Peoples Rural Telephone
Cooperative Corporation, Inc.*